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25X1C No. 2391/65

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
27 October 1965

INTELLIGENCE MEMORANDUM

An Appraisal of the Bombing of North Vietnam*

Effects on the DRV Economy

1. The cumulative economic losses caused by air strikes in North Vietnam are still small in relation to total economic activity because the targets attacked thus far have not been located in areas of major economic activity. However, there are now considerably more indications of localized strains upon the economy, most notably in food supply and distribution. The bombings of the railway lines leading from Hanoi to the northwest and northeast are probably having a greater adverse effect on the economy than any targets attacked to date. With the interdiction of three important land lines of communication, domestic production, distribution, and reconstruction are being curtailed and exports and imports are being reduced. Another serious effect is the diversion of scarce resources from productive uses to the repair of damaged facilities and development and the use of alternate means of transportation. This diversion has almost certainly retarded, if not stopped, work on a number of high-priority economic construction projects. The capabilities of North Vietnam's armed forces have not been affected significantly by attacks on economic facilities, but the movement of personnel, equipment, and supplies is being hampered by damaged transportation facilities. The armed forces place little direct reliance on the North Vietnamese economy for materiel.

*This memorandum is CIA's issuance of a joint CIA-DIA study prepared monthly for the Secretary of Defense and the Joint Chiefs of Staff.

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2. Damage to economic facilities and equipment is now estimated at between \$15 and 16 million. Measurable indirect economic losses amount to more than \$8 million--mainly reductions in foreign trade and agricultural output. The direct economic losses that can be measured have fallen most heavily on the transport sector of the economy. The cost of permanent reconstruction of rail/highway bridges would be on the order of \$7 to 8 million and the replacement or repair of destroyed or damaged transport equipment would cost an additional \$3.3 million. Reconstruction of the damaged electric power plants would cost about \$4.5 million. Repair costs for the petroleum storage facilities are estimated at about \$500 thousand. The growing loss of foreign export earnings--now totaling almost \$5 million--is appreciable, though not yet serious. In addition there have been losses from lowered production. Most losses cannot be quantified, but it is estimated that the potential reduction in rice crops this year resulting from shortages of power for irrigation will amount to roughly \$3.5 million. The cost of reconstruction, replacement, and repair of damaged facilities, if attempted, would represent over 7 percent of total annual investment in the economy and about 15 percent of annual investment in industry.

3. The official North Vietnam press has tacitly admitted failure to carry out simultaneously all the necessary defense, reconstruction, and production tasks. Party leaders have called for a major reorganization of the Communist Party apparatus in order to strengthen the provincial and district committees of the party. These officials have primary responsibility for directing defense mobilization and production in their respective regions. Thus problems in organization are compounding the chronic shortages of skilled manpower which have become even more apparent during the period of the air strikes. Large numbers of workers have been sent south to repair the damage. Their effectiveness has been impaired, however, by severe local shortages of food and construction materials caused by poor distribution and problems in transportation. Some of the effects of the shortage of skilled manpower may be avoided, however, by the arrival of additional Soviet and Chinese technical personnel. North Vietnam

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is now receiving increasing numbers of technical advisers to assist in reconstruction as well as quantities of structural components and materials, not only from China, but also from other Communist countries. The transfer of a considerable portion of North Vietnam's limited resources of skilled labor and construction materials to repair and reconstruct the bombed facilities constitutes an appreciable drain in amounts available for the planned investment program and has required a reordering of investment priorities. If orderly economic development is to be continued, there must be a more rapid increase in aid from other Communist countries than has been observed to date.

4. The most significant air strikes against transportation in North Vietnam have been the bombing of two bridges on the Dong Dang - Hanoi railroad line. The Dong Dang - Hanoi line is the principal means by which North Vietnam has received imports of military equipment and economic goods from China by land. The organization of alternative road and sea transportation to compensate for the loss of through rail traffic will take some time. In the meantime, the North Vietnamese will resort to temporary expedients to try to keep military and high-priority economic traffic moving past the interdicted bridges. Continued interdiction of the line will have serious consequences in maintaining production of the two blast furnaces at Thai Nguyen, North Vietnam's only iron and steel complex, which has been receiving about 500 tons of coking coal from China by rail each day.

5. North Vietnam has made little progress in repairing damaged electric power facilities. Damage to five power plants has reduced the total generating capacity by 13.5 percent, and has caused minor curtailment of mining and industrial operations and loss of power for an irrigation system. Destroyed petroleum storage facilities reduced total capacity by 16.7 percent. Since total national capacity is large in relation to normal consumption, the loss of these facilities has had only a localized impact in the southern part of the country. Dislocations in telecommunications have necessitated the use of priorities and alternate means of communication, and

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the effectiveness of postal service has declined. Food rations in an area south of Hanoi reportedly have been cut, and food shortages are reported to be particularly serious in the southern provinces. The bombings of the electric power network in Thanh Hoa and Nghe An provinces have interrupted normal irrigation services which, if not restored, will cause a reduction in the fall rice harvests in these areas. The volume of seaborne exports continues to decline and the loss of foreign exchange earnings has been intensified.

North Vietnamese Political and Public Reactions

6. There continues to be no basic change in Hanoi's attitude toward the war. Hanoi continues to assert its determination to press on with the war in South Vietnam despite the continuing attrition of the air war and the increase of US troops in the south. This determination was evident in regime propaganda which placed special emphasis on assertions that the US is not prepared to conduct a prolonged war in Vietnam, but that the Vietnamese insurgents are prepared to do so and have the necessary resources.

7. On the subject of negotiations, Hanoi was unusually vocal. Coverage of this issue centered on a Foreign Ministry memorandum broadcast on 23 September. This and other statements offered no policy departure from the "four-point stand" of 8 April. Rather, by phrasing, emphasis and omission, these statements tend to convey the impression that Hanoi is endeavoring to clarify its position on settling the war and to avoid locking itself into an inflexible position on negotiations.

8. There are no indications that the Hanoi regime's attitude toward the war is being influenced to any greater extent than in the past by the reaction of the DRV populace to the air strikes. The morale of the populace seems to be standing up fairly well, although signs of deterioration in some quarters continue. For the first time in many weeks the regime did evidence some concern over the effect that the air strikes were having on the populace. A broadcast directed to the populace of one

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region of the country chided them for failing to comply with the planned civil defense measures when strikes occur. The broadcast implied that the local people had little regard for the government's plans and took their own measures to protect themselves.

Effects on Military Targets

9. Air strikes against North Vietnam have further eroded national capacities in measurable areas (see annex), while far-ranging armed reconnaissance has disrupted movement along lines of communication and North Vietnamese attempts at reconstruction. Further reduction in national capacities in certain categories will be inhibited to some extent by the heavy concentration of targets in the sanctuary areas. About 51 percent of maritime ports, and about 60 percent of POL, power plant, and railroad yard capacities are within the restricted areas. However, only 10 percent of barracks, 14 percent of supply, and 15 percent of ammunition storage capacities are located in these areas. The continued absence of restoration of barracks and supply and ammunition depots confirms earlier assessments that a large-scale dispersal of men and materials to less vulnerable facilities has occurred. No indications of shortages of ammunition have been detected, and the movement of such materiel is given top priority on the disrupted transportation nets.

10. The four damaged airfields at Vinh, Dong Hoi, Na San, and Dien Bien Phu remain unserviceable. The North Vietnamese appear to be discarding these facilities and concentrating on improving and reactivating airfields in and north of the Hanoi area.

11. Armed reconnaissance sorties passed 11,000 with an attendant increase in destruction of surface vessels, vehicles and railroad rolling stock. While these losses have disrupted North Vietnamese operations, particularly in Military Region IV, they are being offset in part by increased aid from the Communist countries. Similarly, although our air operations have restricted North Vietnam's freedom of movement, especially in the

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southern provinces, infiltration of material to the Viet Cong continues.

12. Increased pressure has been placed on Hanoi by the sustained air attacks on the more sensitive lines of communication and on their supply base. While these operations have not significantly reduced North Vietnamese capabilities to conduct current levels of defense operations, they have substantially curtailed the PAVN's capability to invade South Vietnam. Quick reaction paid dividends last week when an air strike was launched against an occupied SA-2 site near Kep Ha within 48 hours of the site's detection. The attack surprised the North Vietnamese and resulted in destruction of missiles, radar vans, and missile transporters, marking the first successful attack on such a site. The losses incurred constitute a sharp setback to North Vietnamese plans for augmenting SA-2 firing elements northeast of Hanoi. Nevertheless, North Vietnam is steadily increasing its AAA and SA-2 sites, primarily in the Yen Bai and Lang Son areas, and SA-2 firing elements are now in operation to the south, east, and north of Hanoi. The mission of the armed forces of the DRV is unchanged and includes: defending the homeland, training their own and infiltration forces for South Vietnam and Laos, and providing logistics support for their forces and those Communist forces presently deployed in South Vietnam and Laos. To the present, the capability of North Vietnam's armed forces to perform their mission at current levels of activity, while hampered, has not been diminished to an appreciable degree.

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ANNEX

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RESULTS OF STRIKES ON DRV TARGETS a/ THROUGH MONDAY 25 OCTOBER 1965

FIXED TARGETS	TARGETS STRUCK		NO. AT-TACKS	STRIKE ^{c/} SORTIES	% OF NATIONAL CAPACITY DESTROYED												
	NO.	% b/															
BARRACKS	40	23.95	160	2462	12.34												
AMMO DEPOTS	12	69.7	51	1108	33.61												
POL STORAGE	4	21.6	7	90	16.7												
SUPPLY DEPOTS	16	18.3	40	516	9.46												
POWER PLANTS	5	13.5	15	133	13.5												
MARITIME PORTS	4	12.0	9	157	5.7												
RR YARDS	1	7.0	5	75	5.2												
EXPLOSIVE PLANT	1	100	3	28	28												
AIRFIELDS	4		8	255	Runways cratered, 25% buildings destroyed at airfields attacked.												
NAVAL BASES	2		9	132	45% buildings destroyed at bases attacked.												
BRIDGES	35		66 ^{d/}	1486	31 not useable.												
COMMO INSTALL	2		2	15	2 destroyed.												
RADAR SITES	13		16 ^{d/}	248	3 destroyed, 4 damaged, 4 redeployed prior to attack.												
SAM SITES	5		5	63	1 destroyed.												
LOCKS	1		1	2	1 destroyed.												
(Dropped from Tgt list)					RESULTS e/												
FERRIES	11		6 ^{d/}	42	<table border="1"> <thead> <tr> <th></th> <th>De-stroyed</th> <th>Dam-aged</th> </tr> </thead> <tbody> <tr> <td>Vessels</td> <td>342</td> <td>616</td> </tr> <tr> <td>Vehicles</td> <td>428</td> <td>464</td> </tr> <tr> <td>RR Stock</td> <td>186</td> <td>522</td> </tr> </tbody> </table>		De-stroyed	Dam-aged	Vessels	342	616	Vehicles	428	464	RR Stock	186	522
	De-stroyed	Dam-aged															
Vessels	342	616															
Vehicles	428	464															
RR Stock	186	522															
TOTAL SORTIES																	
AGAINST FIXED TARGETS: 6812																	
ARMED RECCE SORTIES: 11645																	
TOTAL OF ALL SORTIES EXCEPT SUPPORT: 18457																	

a/Assessments are based on best information received, will be re-fined as more accurate information becomes available.

b/Percentages of national capacity where appropriate.

c/Strike plus flak-suppression sorties.

d/Also numerous attacks during armed recce and other missions.

e/Also numerous installations, AA sites, bridges, etc, attacked and road and rail cuts made.

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AN APPRAISAL OF THE BOMBING OF NORTH VIETNAM

DIRECTORATE OF INTELLIGENCE

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COMPLETED AS DDI MEMO NO. 2391/65 DATED 27 OCTOBER 1965
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No. 396-65
SUBJECT

Date _____
An Appraisal of the Bombing of North Vietnam

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: CIA's issuance of a joint CIA-DIA study prepared monthly for the Secretary of Defense and the Joint Chiefs of Staff.

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